

MONROE COUNTY REAL PROPERTY TAX

Several factors influence the amount of county tax that a real property owner in Monroe County will pay:

- **Assessed Value** is the value placed on the property by city or town assessors. As a result of different assessing practices in each jurisdiction, there is a different relationship of assessed value to full value among jurisdictions within the county. In order to apportion the county tax levy across jurisdictions, the different assessed values are "equalized" to full value.
- **Full Value** represents the estimated market value of all the real property in a municipality at some prior point in time. Full value is based on surveys conducted by the State Board of Real Property Services in which actual field appraisals are performed. From these surveys, equalization rates are established by the state to convert assessed value to full value. As a result of changes in assessed value and equalization rates during this past year, full value has increased in Monroe County by approximately 3.4%.

It should be noted that a change in full value does not mean that individual properties have gained (or lost) real market value. Full value is a measurement tool used to compare properties from one jurisdiction to another. The importance of full value is its use in equitably apportioning the county tax levy.

- **County Tax Levy** is the total amount of money to be raised by the general real property tax. The share of the tax levy for each jurisdiction is based on its percent of the county's total full value. For example, Penfield represents 6.97% of the county's full value for 2006 therefore, 6.97% of the 2006 county tax levy is allocated to Penfield.

Once the 2006 county tax levy is determined, the full value tax rate is calculated by dividing the tax levy by the total full value expressed in thousands of dollars.

<u>Tax Levy</u>		<u>Full Value</u>		<u>F.V. Tax Rate</u>
\$305,171,008	÷	\$33,535,275,597	=	\$9.10
				per \$1,000 of full value

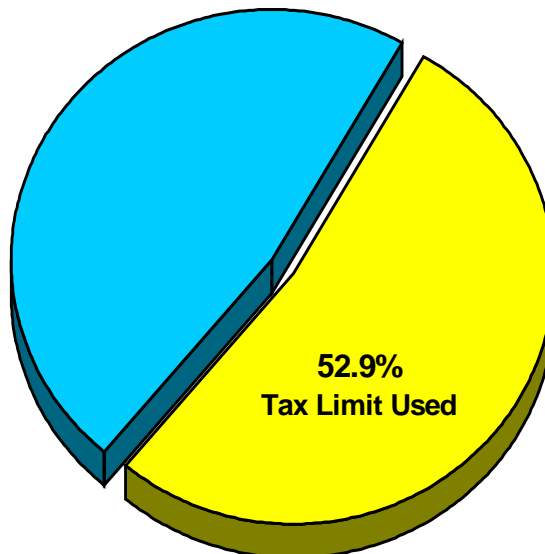
Full value tax rates can be compared from one jurisdiction to another, while assessed value tax rates cannot. The assessed value tax rate is the rate that appears on a homeowner's tax bill and is used to compute the tax bill. The tax bill is computed by dividing the assessed value of a home by 1,000 and multiplying that number by the assessed value tax rate. Sales Tax Credits, the share of total sales tax collections credited to towns, are then applied to reduce the county property tax liability for residents of towns outside villages.

MONROE COUNTY CONSTITUTIONAL TAX LIMIT

The Constitutional Tax Limit of the county is determined in accordance with Section 10 of Article VIII of the New York State Constitution. This limits the amount counties may raise in real estate taxes in any fiscal year, exclusive of debt service, to 1.5% of the five-year average full value of taxable real estate of the county. In the calculation, the Sales Tax Credit to towns is an offset to the tax levy for operating purposes.

2006 Estimated Total Taxing Power	\$497,310,812
2006 Estimated Tax Levy	<u>\$262,951,014</u>
TAX MARGIN	\$234,359,798

Percent of Tax Limit Used



MONROE COUNTY TAX HISTORY

YEAR	TAX <u>LEVY</u>	ASSESSED <u>VALUE</u>	FULL <u>VALUE</u>	FULL VALUE <u>TAX RATE</u>
1983	121,857,392	2,741,171,449	11,318,520,145	10.77
1984	128,932,140	2,836,804,518	11,468,110,123	11.24
1985	149,434,247	6,231,493,953 ¹	11,858,630,165	12.60
1986	160,165,489	7,235,130,734	12,260,182,198	13.06
1987	175,603,439	9,626,986,531 ¹	12,764,249,075	13.76
1988	175,298,126	9,674,035,937	14,429,477,762	12.15
1989	189,065,914	9,827,133,180	16,225,969,586	11.65
1990	204,038,015	10,047,587,239	18,791,800,432	10.86
1991	226,544,193	10,824,321,443	21,320,720,839	10.63
1992	235,917,168	10,918,272,193	23,036,259,153	10.24
1993	236,769,850	11,036,500,919	26,028,573,329	9.10
1994	238,900,000	11,175,235,093	27,102,973,978	8.81
1995	239,975,000	13,417,259,542 ²	27,446,518,184	8.74
1996	239,000,000	14,956,918,271 ²	27,881,963,406	8.57
1997	239,000,000	19,634,441,892 ³	28,416,915,982	8.41
1998	239,000,000	19,660,843,391	28,625,176,569	8.35
1999	235,500,000	20,313,576,246	28,231,894,384	8.34
2000	235,500,000	20,452,006,665	28,481,812,633	8.27
2001	235,500,000	23,517,351,379 ⁴	28,337,980,574	8.31
2002	235,500,000	24,570,197,311	29,428,946,001	8.00
2003	241,447,788	29,723,721,602 ⁵	30,073,267,156	8.03
2004	279,283,814	30,075,340,137	30,690,528,985	9.10
2005	295,191,724	31,837,372,618 ⁶	32,438,651,004	9.10
2006	305,171,008	32,720,083,042 ⁷	33,535,275,597	9.10

¹ Changes include city reassessments.

² Changes include reassessments in Brighton (1995) and Penfield (1996).

³ Changes include reassessments in Chili, Greece, Ogden and Rochester.

⁴ Changes include reassessments in Gates, Irondequoit, East Rochester and Rochester.

⁵ Changes include reassessments in Henrietta and Perinton

⁶ Changes include reassessments in the city and 14 towns

⁷ Changes include reassessments in Penfield and Mendon

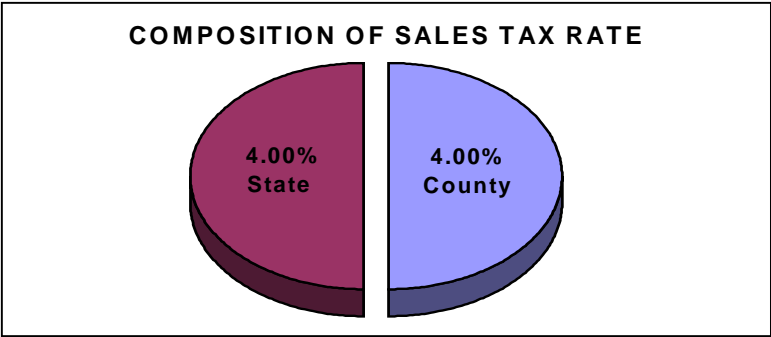
FACTORS AFFECTING YOUR MONROE COUNTY PROPERTY TAX

FACTOR	CONTROLLED BY	CHANGE FROM 2005 TO 2006
County Spending	Programs Required by the Federal or State Government	+ \$12.2 million
County Spending	Programs Controlled by the County Government	+ \$4.4 million
Monroe County Full Value Tax Rate	County Government	Flat
Monroe County Real Estate Tax Levy	County Government	+ \$10.0 million
Assessed Value	Town or City Government	Varies by Jurisdiction
Equalization	State Government	Varies by State Formula
Sales Tax Receipts	Sharing Agreements - County Retains - County Shares	+ \$2.2 million + \$4.8 million
Sales Tax Credit (towns only)	Local Economy	Frozen at \$55 million

MONROE COUNTY SALES TAX

RATE

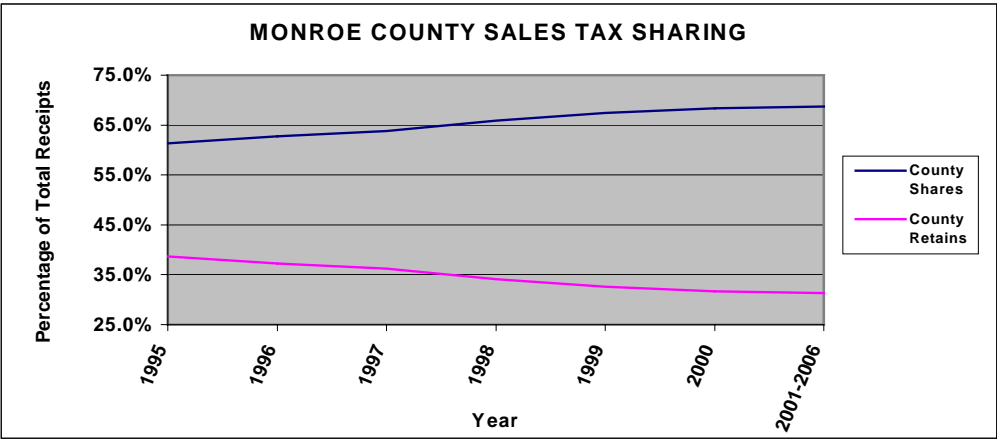
Of the 8% sales tax levied in Monroe County, 4% is levied by New York State and 4% is levied by Monroe County.



New York State raised its sales tax rate from 4% to 4¼% in June 2003 and then reduced the rate back to 4% in June 2005. Monroe County’s sales tax rate is 4%, where it has been since March 1993.

SALES TAX SHARING

What has set Monroe County apart from most other counties in New York State has been its generosity to share sales tax receipts with other local municipalities (City of Rochester, Towns, Villages and Suburban School Districts). The chart below illustrates that the County share of total receipts has declined in the past decade as a result of changes in the distribution formulas. In 2006, Monroe County intends to share approximately 69% of all receipts while retaining just 31% for county budget purposes.



DISTRIBUTION FORMULAS

Sales tax receipts are divided into two separate components for distribution calculation purposes. The two components, as noted in the Unallocated Revenue portion of the budget (090-9001) are the **"First three cents"** and the **"Additional one cent"**.

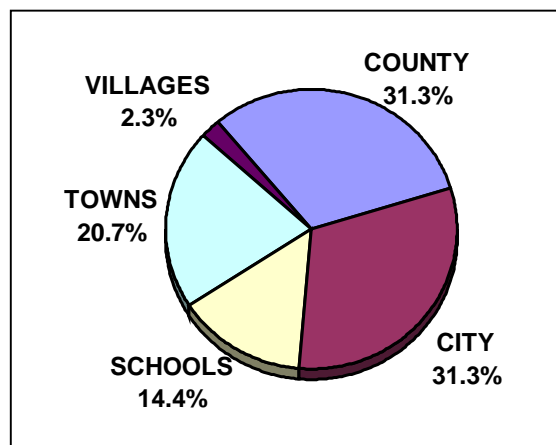
"First three cents" Component (Morin-Ryan Act Formula)

- The 3% tax component is subject to a complex distribution formula whereby approximately 82.4% of it is distributed to political sub-divisions within the county and approximately 17.6% is retained by the county to finance the county budget. The Morin-Ryan Act of 1985 details the current formula which included the following stipulations:
- The City of Rochester receives half the annual growth in sales tax collections.
- The remaining half is divided among the county, city, towns, villages and suburban school districts, with the villages and school districts "held harmless". According to this "hold harmless" provision, the county must compensate suburban schools and villages for any portion of the distribution they may have lost under the Morin-Ryan Act formula.
- The city share of sales tax may never exceed 35.63% of total collections.

"Additional one cent" Component (Parity Formula)

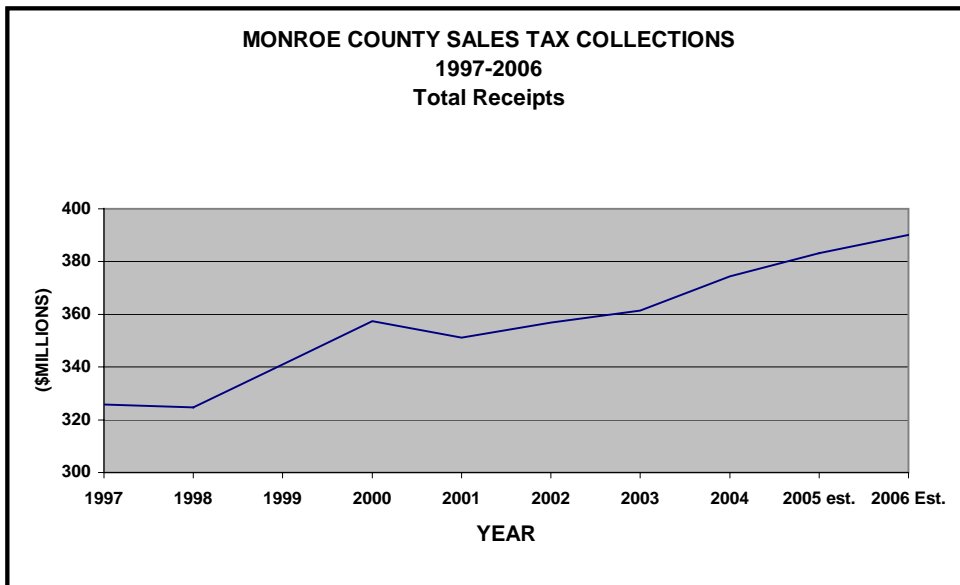
- The additional 1% tax was fully enacted in March 1993.
- Since 1995, the county's share of the "additional one cent" tax has steadily decreased from 100% of total tax receipts to 75% in 1999, per prescribed formulas.
- Beginning in December 1999 (calendar year 2000), after distributing 9.25% of the additional one cent to suburban school districts (5%), towns (3%) and villages (1.25%), the remaining balance (90.75%) is divided between the City of Rochester and the county so that when added to the **"first three cents"** tax, the total share (4 cents) for the city and county is equal.
- As a result of this "parity" formula, the county is estimated to receive approximately 72.5% of the additional one cent for 2006.

The chart below details the 2006 estimated share of sales tax collections (entire 4%) for each political subdivision.

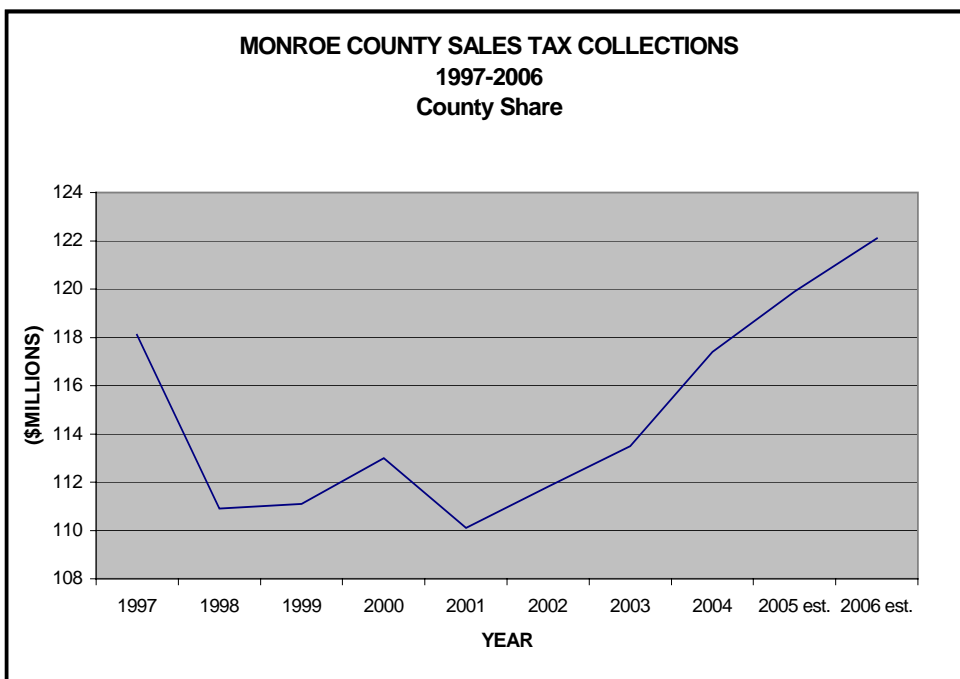


HISTORY OF SALES TAX COLLECTIONS

The following charts detail a 10 year history of Monroe County sales tax collections (overall receipts and County share) from 1997 through the 2006 estimated amount.



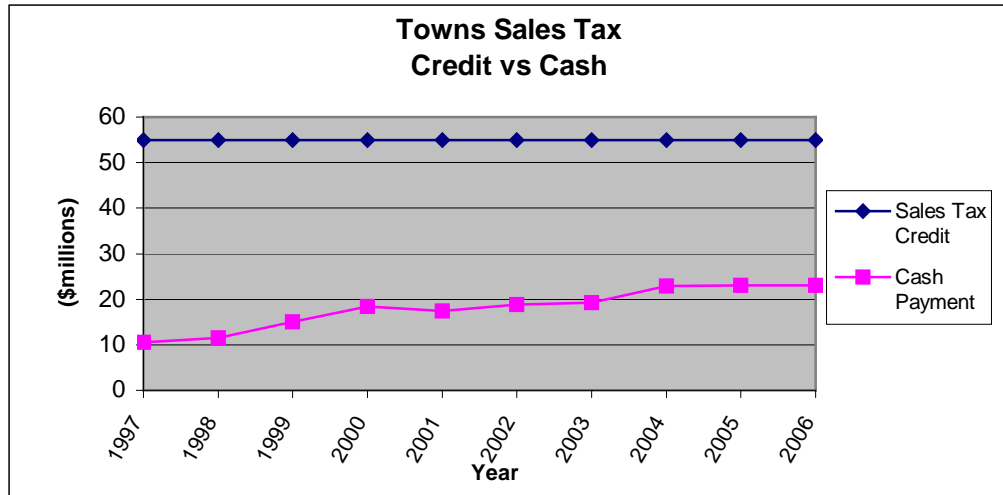
Year	Total Receipts
1997	\$ 325,732,277
1998	\$ 324,624,515
1999	\$ 340,963,422
2000	\$ 357,364,720
2001	\$ 351,217,003
2002	\$ 356,920,683
2003	\$ 361,547,791
2004	\$ 374,371,876
2005est	\$ 383,160,339
2006est	\$ 390,152,894



Year	County Share
1997	\$118,124,053
1998	\$110,935,402
1999	\$111,122,546
2000	\$112,991,577
2001	\$110,097,188
2002	\$111,760,823
2003	\$113,463,888
2004	\$117,398,625
2005est	\$119,877,839
2006est	\$122,108,926

TOWN SALES TAX CREDIT

Beginning in 1996, the distribution of sales tax to town governments has been a combination of direct cash payments and credits against the county real estate tax owed by owners of property in the towns. The first \$55 million of the total amount identified as a distribution to the towns will continue as credits against the county real estate tax. The amount above \$55 million will be paid in cash to town governments. The chart below shows that while the sales tax credit for property tax purposes has remained the same, the cash portion directed to towns has increased.



DISTRIBUTION OF SALES TAX AMONG JURISDICTIONS WITHIN MONROE COUNTY

Sales Tax Component/Year	Total Collected	Distribution				
		County ⁽¹⁾	City of Rochester	Towns (Aggregate of 19)	Villages (Aggregate of 10)	Suburban School Districts (Aggregate of 24)
First Three Cents (3%)						
2004 Actual	\$280,778,761	\$49,468,123	\$100,393,375	\$74,363,643	\$7,338,116	\$49,215,504
2005 Estimate	287,484,809	50,534,929	102,395,207	76,633,916	7,547,331	50,373,426
2006 Estimate	292,675,067	51,512,229	104,244,496	78,099,701	7,535,455	51,283,186
Additional One Cent (1%)						
2004 Actual	93,593,115	67,930,502	17,005,250	2,807,793	1,169,914	4,679,656
2005 Estimate	95,675,530	69,342,910	17,482,632	2,870,266	1,195,944	4,783,778
2006 Estimate	97,477,827	70,596,697	17,864,430	2,924,335	1,218,473	4,873,892
Combined						
2004 Actual	374,371,876	117,398,625	117,398,625	77,171,436	8,508,030	53,895,160
2005 Estimate	383,160,339	119,877,839	119,877,839	79,504,182	8,743,275	55,157,204
2006 Estimate	390,152,894	122,108,926	122,108,926	81,024,036	8,753,928	56,157,078

1. The above figures are based on the New York State Sales Tax year (December 1 - November 30). The county's share does not exactly represent revenue formally recognized on the county financial statements for each year since accruals required for the county financial statements (revenue earned and recorded prior to receipts) have not been included. By not including the accruals for the county, the figures for all jurisdictions are kept on a consistent basis.

MONROE COUNTY HOTEL ROOM OCCUPANCY TAX

The current Hotel Room Occupancy Tax levied by Monroe County is 6% (This is levied in addition to the retail sales tax). The tax is collected from hotel operators quarterly based on the calendar year.

The revenue derived from the tax is largely distributed to agencies, corporations, and associations whose activities promote or enhance tourism in Monroe County. As of January 1, 2005 the distribution formula changed from a percentage based allocation to a fixed dollar amount allocation:

<u>Agency/County Division</u>	<u>Yearly Allocation Amount (Fixed)</u>
County of Monroe (Administration)	\$ 55,000
City of Rochester (War Memorial)	\$ 905,000
City of Rochester (Convention Center)	\$ 795,000
Monroe County Fair & Recreation Association	\$ 55,000
Rochester/Monroe County Convention Bureau	\$ 2,795,000
Sports Development Corporation	\$ 82,500
Greater Rochester Sports Authority	\$ <u>285,000</u>
Total Distribution to be made each year	\$ 4,972,500

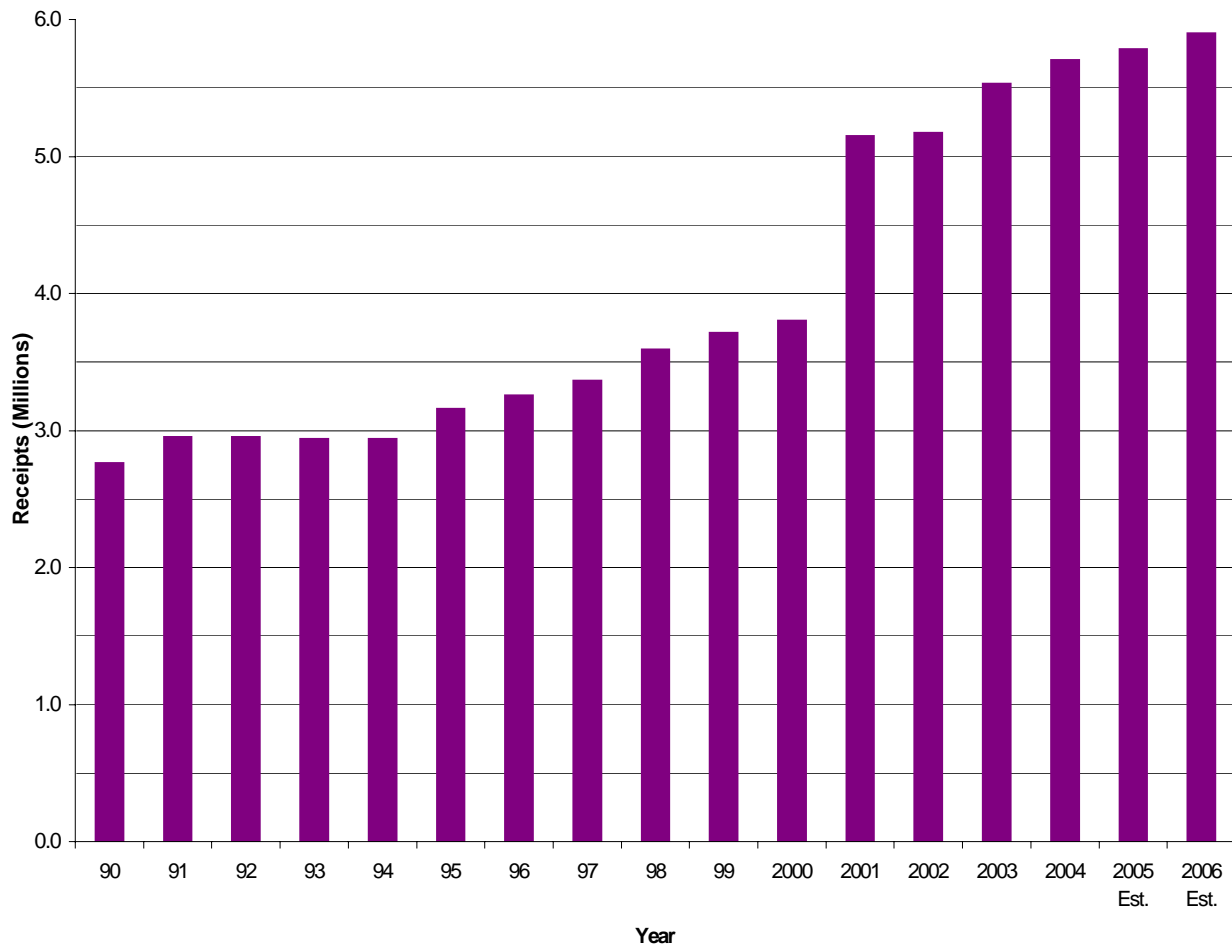
Any collections over this amount will be distributed to the County's Cultural Programs/Tourism account.

The actual distribution for 2004 and estimated figures for 2005 and 2006 are as follows:

	2004	2005	2006
County of Monroe (Admin.)	\$57,003	\$55,000	\$55,000
City of Rochester (War Memorial)	\$940,543	\$905,000	\$905,000
City of Rochester (Convention Center)	\$826,538	\$795,000	\$795,000
Monroe County Fair & Recreation Association	\$57,003	\$55,000	\$55,000
Rochester/Monroe County Convention Bureau	\$2,907,132	\$2,795,000	\$2,795,000
Sports Development Corporation	\$85,504	\$82,500	\$82,500
Greater Rochester Sports Authority	\$312,532	\$285,000	\$285,000
County of Monroe (General)	\$400,000	\$0	\$0
Total	\$5,586,255	\$4,972,500	\$4,972,500
County of Monroe (Cultural Programs/Tourism) *	\$114,005	\$810,708	\$926,372
Totals	\$5,700,260	\$5,783,208	\$5,898,872

* These funds will be distributed to the County's Cultural Programs/Tourism Account to maintain funding levels for various authorized agencies (see Section 089-7200)

MONROE COUNTY HOTEL ROOM OCCUPANCY TAX Total Collections



Rate History

July 1, 1971 to June 30, 1986	2%
July 1, 1986 to April 30, 1989	3%
May 1, 1989 to December 31, 2000	4%
January 1, 2001 to Present	6%